

PAYMENT BOND TO DEMONSTRATE LIABILITY COVERAGE

Surety Bond No. _____
(Insert number)

Parties: _____
(Insert name and address of owner or operator)

_____ ,

Principal, incorporated in _____
(Insert State of incorporation)

of _____
(Insert city and State of principal place of business)

_____ ,

Surety Company(ies), of _____
(Insert Surety(ies) place of business)

EPA Identification Number, name, and address for each facility guaranteed by this bond:

	Sudden accidental occurrences	Nonsudden accidental occurrences
Penal Sum Per Occurrence.	_____ (Insert amount)	_____ (Insert amount)
Annual Aggregate	_____ (Insert amount)	_____ (Insert amount)

Purpose: This is an agreement between the Surety(ies) and the Principal under which the Surety(ies), its (their) successors and assignees, agree to be responsible for the payment of claims against the Principal for bodily injury and/or property damage to third parties caused by _____
(insert "sudden," "nonsudden" or "both sudden and nonsudden")

accidental occurrences arising from operations of the facility or group of facilities in the sums prescribed herein; subject to the governing provisions and the following conditions.

Governing Provisions:

- (1) Kentucky Revised Statutes Chapter 224, as amended.
- (2) Rules and regulations of the Natural Resources and Environmental Protection Cabinet (the Cabinet), particularly 401 KAR 34:080 through 34:130 and 401 KAR 35:080 through 35:130.

Conditions:

(1) The Principal is subject to the applicable governing provisions that require the Principal to have and maintain liability coverage for bodily injury and property damage to third parties caused by _____ accidental occurrences arising from operations of _____
(insert "Sudden", "Nonsudden" or "Both Sudden and Nonsudden")
the facility or group of facilities. Such obligation does not apply to any of the following:

- (a) Bodily injury or property damage for which _____ is
(insert Principal)
obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that
_____ would be obligated to pay in the absence of
(insert Principal)
the contract or agreement.
- (b) Any obligation of _____ under a workers' compensa-
(insert Principal)
tion, disability benefits, or unemployment compensation law or similar law.
- (c) Bodily injury to:
 1. An employee of _____ arising from, and in
(insert Principal)
the course of, employment by _____ ; or
(insert Principal)
 2. The spouse, child, parent, brother or sister of that employee as a consequence of, or arising from, and in the course of employment by _____ . This exclusion applies:
(insert Principal)
 - (A) Whether _____ may be liable as an
(insert Principal)
employer or in any other capacity; and
 - (B) To any obligation to share damages with or repay another person who must pay damages because of the injury to persons identified in paragraphs 1 and 2.
- (d) Bodily injury or property damage arising out of the ownership, maintenance, use, or entrustment to others of any aircraft, motor vehicle or watercraft.
- (e) Property damage to:
 1. Any property owned, rented, or occupied by _____ ;
(insert Principal)
 2. Premises that are sold, given away or abandoned by _____
(insert Principal)
_____ if the property damage arises out of any part of those premises;
(insert Principal)
 3. Property loaned to _____ ;
(insert Principal)
 4. Personal property in the care, custody or control of _____ ;
(insert Principal)

5. That particular part of real property on which _____
(insert Principal)
or any contractors or subcontractors working directly or indirectly on behalf
of _____ are performing operations, if the
(insert Principal)
property damage arises out of these operations.

(2) This bond assures that the Principal will satisfy valid third party liability claims, as described in Condition 1.

(3) If the Principal fails to satisfy a valid third party liability claim, as described above, the Surety(ies) becomes liable on this bond obligation.

(4) The Surety(ies) shall satisfy a third party liability claim only upon the receipt of one of the following documents:

(a) Certification from the Principal and third party claimant(s) that the liability claim should be paid. The certification shall be worded as follows:

CERTIFICATION OF VALID CLAIM

The undersigned, as parties _____
(Insert Name of Principal)

and _____
(insert name and address of third party claimant(s))

hereby certify that the claim of bodily injury and/or property damage caused by a _____
(insert "sudden" or "nonsudden")
accidental occurrence arising from operating _____ hazardous waste treat-
(insert Principal)
ment, storage, or disposal facility should be paid in the amount of \$ _____ .

(Signature of Principal)

Date

(Name of Principal)

(Signature of Notary Public)

Date Notary's Commission Expires:

(Signature of Claimant(s))

Date

(Name of Claimant(s))

(Signature of Notary Public)

Date Notary's Commission Expires:

or

(b) A valid final court order establishing a judgement against the Principal for bodily injury or property damage caused by sudden or nonsudden accidental occurrences arising from the operation of the Principal's facility or group of facilities.

(5) In the event of combination of this bond with another mechanism for liability coverage, this bond will be considered _____ coverage.
(insert "primary" or "excess")

(6) The liability of the Surety(ies) shall not be discharged by any payment or succession of payments hereunder, unless and until such payment or payments shall amount in the aggregate to the penal sum of the bond. In no event shall the obligation of the Surety(ies) hereunder exceed the amount of said

annual aggregate penal sum, provided that the Surety(ies) furnish(es) notice to the Director of the Division of Waste Management in the Cabinet, hereinafter the Director of the Division, forthwith of all claims filed and payments made by the Surety(ies) under this bond.

(7) The Surety(ies) may cancel the bond by sending notice of cancellation by certified mail to the Principal and the Director of the Division, provided, however, that cancellation shall not occur during the 120 days beginning on the date of receipt of the notice of cancellation by the Principal and the Director of the Division, as evidenced by the return receipts.

(8) The Principal may terminate this bond by sending written notice to the Surety(ies) and to the Director of the Division.

(9) The Surety(ies) hereby waive(s) notification of amendments to applicable laws, statutes, rules and regulations and agree(s) that no such amendment shall in any way alleviate its (their) obligation on this bond.

(10) This bond is effective from _____ (12:01 a.m., local time, at
(insert date)
the address of the Principal as stated herein) and shall continue in force until terminated as described above.

In Witness Whereof, the Principal and Surety(ies) have executed this Bond and have affixed their seals on the date set forth above.

The persons whose signatures appear below hereby certify that they are authorized to execute this surety bond on behalf of the Principal and Surety(ies) and that the wording of this surety bond is identical to the wording specified in 401 KAR 34:080 as such regulations were constituted on the date this bond was executed.

PRINCIPAL

(Signature)

(Name)

(Corporate Seal)

(Title)

(Signature)

(Name)

(Corporate Seal)

(Title)

CORPORATE SURETY(IES)

(Name and address)

State of incorporation: _____

Liability Limit: \$ _____

(Signature)

(Name)

(Title)

(Signature)

(Name)

(Title)

(Corporate Seal)

(Corporate Seal)

[For every co-surety, provide signature(s), corporate seal, and other information in the same manner as for Surety above.]

Bond premium: \$ _____

DEP-6035O, effective 2/10/94

(Note: Use of this form is required by 401 KAR 34:080)